

Health Informatics Ecosystem Incentive Fund

Utah Division of Business and Economic Development

During the 2002 Salt Lake City Olympic Winter Games, Governor Michael O. Leavitt was introduced to the value of the health information management industry during an anthrax scare at the Salt Lake Municipal Airport. Due to the ability of the industry to share information quickly for the purposes of analyzing the threat, Governor Leavitt was able to make an informed decision to keep the airport open during the busiest days of the Games.

Subsequent to this event, his staff researched the industry in more depth. As a result of this research, Governor Leavitt designated Health Informatics as a targeted “ecosystem”. An ecosystem is defined as an industry cluster where Utah already has a nucleus of world class businesses (ie: 3M Health Information Services and Ingenix) and the ability to grow if the proper “nutrients” are provided.

Governor Leavitt shared his vision for the Health Informatics Ecosystem with the Utah State Legislature in a Special Session in late 2002 and requested funds to be used as incentives to attract or expand businesses within the ecosystem. Although the state was in the midst of managing a significant revenue shortfall due the recent economic downturn, they appropriated \$1 million for this purpose. The goal of the fund is to attract at least three health informatics companies to locate or expand within the state.

The Health Informatics Ecosystem Incentive Fund is administered by the Utah Division of Business and Economic Development (DBED) with funding recommendations provided by Ed Meyer, team leader for the Health Informatics Task Force and approved by the Utah Division of Business and Economic Development Board. Where possible, funds are leveraged with incentive funds available through the DBED Industrial Assistance Fund (IAF). Funding requests are submitted using IAF format and forms.

The Utah State Legislature granted DBED wide discretion in administering the Health Informatics Ecosystem Incentive Fund. The primary use of funds will be for performance-based incentives similar to the IAF. Training is also an eligible activity if adequate funds are not available through the State of Utah’s Custom Fit Training Program. When opportunities arise, funds may be used to match federal grants dedicated to this industry. One example is a grant likely to be approved in Fall 2003 that will provide computer-related equipment that can be placed with eligible firms. DBED welcomes the opportunity to discuss projects with potential applicants early in the process to determine other resources that may contribute to the project’s success.

While the Health Informatics Ecosystem Incentive Fund is available to firms regardless of where they locate in the State of Utah, there is a special interest in encouraging employment in the State’s rural communities. This industry is attractive for such communities due to the high representation of individuals with training and experience in the medical industry in Utah’s rural cities and the ability for health information to be processed via the Internet at remote locations. Applications that provide all or a portion of their jobs in such communities are likely to receive greater incentives for these jobs.

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